

Fiscal Estimate Narratives

DOR 5/5/2017

LRB Number	17-3197/2	Introduction Number	SB-228	Estimate Type	Original
Description sale of Green Bay Correctional Institution and construction and lease with a purchase option of a correctional institution in Brown County or an adjacent county and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill requires the Department of Administration (DOA) to solicit public bids to sell the Green Bay Correctional Institution in the Village of Allouez. If the DOA receives an acceptable bid for the current facility, the DOA would solicit proposals to build a privately owned correctional institution in Brown County or an adjacent county, with an option for the state to purchase the facility.

Under current law, a privately owned correctional institution would be subject to property taxes from all overlying tax jurisdictions. Under the bill, if the state purchases the facility, then the municipality where the facility is located would receive a payment in lieu of taxes administered by the DOA. The payment would equal the property taxes paid by the previous owner for the last year the property was subject to taxation.

The fiscal effect is indeterminate since the state's decision to purchase the prison, purchase date, location, and property value are unknown. For illustrative purposes, a privately owned correctional institution with an assessed value of \$263 million would have a property tax bill of approximately \$4.7 million based on the Brown County average 2016-17 net-tax rate of \$17.40 per \$1,000 of assessed property value.

Long-Range Fiscal Implications